

110TH CONGRESS  
2D SESSION

# S. 3428

To amend the Internal Revenue Code of 1986 to provide a credit against income tax to facilitate the accelerated development and deployment of advanced safety systems for commercial motor vehicles.

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## IN THE SENATE OF THE UNITED STATES

AUGUST 1, 2008

Ms. STABENOW (for herself, Mr. VOINOVICH, and Mrs. DOLE) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a credit against income tax to facilitate the accelerated development and deployment of advanced safety systems for commercial motor vehicles.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Commercial Motor Ve-  
5 hicle Advanced Safety Technology Tax Act of 2008”.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1           (1) Commercial motor vehicle crashes are a pri-  
2           mary source of concern in the United States, par-  
3           ticularly in light of the increasing numbers of trucks  
4           and motorcoaches on our Nation's highways.

5           (2) A 2004 report by the National Cooperative  
6           Highway Research Program found that when a large  
7           truck is involved in a crash, it is about 2.6 times as  
8           likely to result in a fatality compared with passenger  
9           cars.

10          (3) In 2006, 4,995 individuals died and  
11          106,000 individuals were injured as a result of large  
12          truck-involved crashes in the United States. Overall,  
13          from 2001 to 2006, there have been 30,556 large  
14          truck-involved fatalities in the United States.

15          (4) In addition to the tremendous human loss,  
16          these crashes also impose a significant economic cost  
17          on society. The Department of Transportation esti-  
18          mates that highway crashes cost society  
19          \$230,600,000,000 a year, about \$820 per person. A  
20          2006 report issued by the Federal Motor Carrier  
21          Safety Administration determined that the estimated  
22          cost of each crash involving a truck with a gross ve-  
23          hicle weight rating of more than 10,000 pounds is  
24          \$91,112 while the average cost of a fatal crash is  
25          \$3,604,518.

1           (5) Investments by vehicle suppliers and truck  
2           and motorcoach manufacturers in research and inno-  
3           vative design have created a new generation of ad-  
4           vanced safety systems and technologies.

5           (6) Advanced safety technologies will directly  
6           address, and help mitigate the effects of, commercial  
7           motor vehicle crash scenarios.

8           (7) The Department of Transportation has set  
9           a goal to reduce the traffic fatality rate to 1.0 per  
10          hundred million vehicle miles traveled by 2011.

11          (8) The accelerated production, sale, and de-  
12          ployment of advanced safety technologies on com-  
13          mercial motor vehicles can speed the progress to-  
14          ward this critical goal and reduce the daily injuries  
15          and fatalities on the Nation's roads and highways.  
16          This progress would also help to mitigate the soci-  
17          etal cost of these crashes.

18          (9) Therefore, Congress finds that it is in the  
19          interest of the United States to increase the deploy-  
20          ment of advanced vehicle safety technologies on com-  
21          mercial motor vehicles in the domestic market by  
22          providing businesses with tax incentives, designed to  
23          make such systems more affordable for purchase.

1 **SEC. 3. CREDIT FOR ADVANCED COMMERCIAL VEHICLE**  
 2 **SAFETY SYSTEMS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-  
 4 chapter A of chapter 1 of the Internal Revenue Code of  
 5 1986 (relating to business related credits) is amended by  
 6 adding at the end the following new section:

7 **“SEC. 45Q. CREDIT FOR COMMERCIAL VEHICLE ADVANCED**  
 8 **SAFETY SYSTEMS.**

9 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-  
 10 tion 38, the commercial vehicle advanced safety system  
 11 credit determined under this section is an amount equal  
 12 to 50 percent of the cost of any qualified commercial vehi-  
 13 cle advanced safety system placed in service by the tax-  
 14 payer during the taxable year.

15 “(b) LIMITATIONS.—

16 “(1) PER SYSTEM.—The credit allowable under  
 17 subsection (a) for each qualified commercial vehicle  
 18 advanced safety system shall not exceed \$1,500.

19 “(2) PER VEHICLE.—The credit allowable  
 20 under subsection (a) with respect to property for  
 21 each qualified commercial vehicle shall not exceed—

22 “(A) \$3,500, reduced by

23 “(B) the aggregate amount of credit al-  
 24 lowed to the taxpayer under this section with  
 25 respect to such vehicle for all prior taxable  
 26 years.

1           “(3) PER TAXPAYER.—The credit allowable  
2           under subsection (a) to the taxpayer for the taxable  
3           year shall not exceed \$350,000.

4           “(c) QUALIFIED COMMERCIAL VEHICLE ADVANCED  
5 SAFETY SYSTEM.—For purposes of this section, the term  
6 ‘qualified commercial vehicle advanced safety system’  
7 means any property which is part of a system installed  
8 on a qualified commercial vehicle if—

9           “(1)(A) such system is a brake stroke moni-  
10          toring system, lane departure warning system, colli-  
11          sion warning system, or vehicle stability system, or

12          “(B) such system is specifically identified by  
13          the Administrator of the Federal Motor Carrier  
14          Safety Administration or the Administrator of the  
15          National Highway Traffic Safety Administration for  
16          the purposes of this paragraph as significantly en-  
17          hancing the safety or security of the driver, vehicle,  
18          passengers, or load of a qualified commercial vehicle  
19          and such identification is in effect as of the date  
20          such system is placed in service by the taxpayer,

21          “(2) such system is certified by the manufac-  
22          turer of such system (before such vehicle is first  
23          used by the taxpayer for its intended purpose after  
24          installation of such system)—

1           “(A) to be appropriate for the make, type,  
2           and model of the qualified commercial vehicle  
3           on which it is to be installed, and

4           “(B) to function as designed if installed  
5           properly,

6           “(3) in the case of a system which is not in-  
7           stalled by the manufacturer of the qualified commer-  
8           cial vehicle or by an installer authorized by the man-  
9           ufacturer of such system, such system is certified by  
10          the installer of such system to be properly installed  
11          and functioning on the vehicle before such vehicle is  
12          first used by the taxpayer for its intended purpose  
13          after installation of such system,

14          “(4) the original use of such system begins with  
15          the taxpayer, and

16          “(5) depreciation (or amortization in lieu of de-  
17          preciation) is allowable with respect to such system.

18          “(d) QUALIFIED COMMERCIAL VEHICLE.—For pur-  
19          poses of this section—

20                 “(1) IN GENERAL.—The term ‘qualified com-  
21                 mercial vehicle’ means any highway motor vehicle  
22                 if—

23                         “(A) such vehicle—

24                                 “(i) is to be used to transport persons  
25                                 or property in commerce, and

1 “(ii) has a gross combination weight  
 2 rating or a gross vehicle weight rating of  
 3 26,001 pounds or more, or

4 “(iii) the seating capacity of which is  
 5 at least 15 individuals (not including the  
 6 driver),

7 “(B) the seating capacity of such vehicle is  
 8 at least 11 individuals (not including the driver)  
 9 and such vehicle is reasonably expected to be  
 10 used as a school bus (as defined in section  
 11 4221(d)(7)(C)), or

12 “(C) such vehicle is reasonably expected to  
 13 be used as an intercity or local bus (as defined  
 14 in section 4221(d)(7)(B)).

15 “(e) OTHER DEFINITIONS.—For purposes of this  
 16 section—

17 “(1) BRAKE STROKE MONITORING SYSTEM.—  
 18 The term ‘brake stroke monitoring system’ means  
 19 any onboard-monitoring system for air-braked vehi-  
 20 cles that—

21 “(A) uses electronic sensors to determine if  
 22 the brakes are out of adjustment, not oper-  
 23 ational, or not fully releasing, and

1                   “(B) displays warnings to the driver show-  
2                   ing the existence and exact location and nature  
3                   of the problem.

4                   “(2) LANE DEPARTURE WARNING SYSTEM.—  
5                   The term ‘lane departure warning system’ means  
6                   any system that alerts a driver (including audio, vis-  
7                   ual, and tactile warnings) of unintended movement  
8                   out of the lane of travel or of an object or vehicle  
9                   in the adjacent lane blind spot.

10                  “(3) COLLISION WARNING SYSTEM.—The term  
11                  ‘collision warning system’ means any system that  
12                  monitors the roadway in front or to the rear of the  
13                  vehicle and warns the driver when a potential colli-  
14                  sion risk exists by providing the driver with an audi-  
15                  ble, visual, or tactile notification.

16                  “(4) VEHICLE STABILITY SYSTEM.—The term  
17                  ‘vehicle stability system’ means any active safety  
18                  system that automatically intervenes when there is a  
19                  high risk of rollover or directional instability. For  
20                  purposes of the preceding sentence, active interven-  
21                  tions include automatically reducing vehicle speed or  
22                  by selectively applying appropriate brakes to better  
23                  align the vehicle to the appropriate path of travel.

24                  “(f) CONTROLLED GROUPS.—



1           “(1) IN GENERAL.—For purposes of this sec-  
 2           tion, all persons treated as a single employer under  
 3           subsection (a) or (b) of section 52 or subsection (m)  
 4           or (o) of section 414 shall be treated as a single tax-  
 5           payer.

6           “(2) INCLUSION OF FOREIGN CORPORATIONS.—  
 7           For purposes of paragraph (1), in applying sub-  
 8           sections (a) and (b) of section 52 to this section, sec-  
 9           tion 1563 shall be applied without regard to sub-  
 10          section (b)(2)(C) thereof.

11          “(g) SPECIAL RULES.—

12           “(1) BASIS REDUCTION.—The basis of any  
 13           property for which a credit is allowable under sub-  
 14           section (a) shall be reduced by the amount of such  
 15           credit.

16           “(2) RECAPTURE.—The Secretary shall, by reg-  
 17           ulations, provide for recapturing the benefit of any  
 18           credit allowable under subsection (a) with respect to  
 19           any property which ceases to be property eligible for  
 20           such credit.

21           “(3) PROPERTY USED OUTSIDE UNITED STATES  
 22           NOT QUALIFIED.—No credit shall be allowed under  
 23           subsection (a) with respect to any property referred  
 24           to in section 50(b)(1) or with respect to the portion

1 of the cost of any property taken into account under  
2 section 179.

3 “(4) PROPERTY USED BY TAX-EXEMPT ENTI-  
4 TY.—In the case of any qualified commercial vehicle  
5 advanced safety system the use of which is described  
6 in paragraph (3) or (4) of section 50(b) and which  
7 is not subject to a lease—

8 “(A) the person who sold such property to  
9 the person or entity using such property shall  
10 be treated as the taxpayer that placed such  
11 property in service, but only if such person  
12 clearly discloses to such person or entity in a  
13 document the amount of any credit allowable  
14 under subsection (a) with respect to such prop-  
15 erty (determined without regard to section  
16 38(c)), and

17 “(B) paragraphs (2) and (3) of subsection  
18 (c) shall not apply to such person with respect  
19 to such property.

20 “(5) ELECTION NOT TO TAKE CREDIT.—No  
21 credit shall be allowed under subsection (a) for any  
22 qualified commercial vehicle advanced safety system  
23 if the taxpayer elects to not have this section apply  
24 to such system.

1       “(h) SUPPORTING DOCUMENTATION.—No credit  
 2 shall be allowed under subsection (a) unless the qualified  
 3 commercial vehicle owner receives such documentation as  
 4 the Secretary may require, including—

5               “(1) at the time of purchase of the qualified ad-  
 6 vanced commercial vehicle advanced safety system—

7                       “(A) documentation that identifies—

8                               “(i) the type of each such system to  
 9 be installed on the vehicle, and

10                              “(ii) the purchase date of the vehicle  
 11 containing such system (or the installation  
 12 date of such system in the case of installa-  
 13 tion after the date of the first retail sale  
 14 of such vehicle), and

15                       “(B) the certification required under sub-  
 16 section (c)(2), and

17               “(2) in the case of a system for which a certifi-  
 18 cation is required under subsection (c)(3), at the  
 19 time of the installation of such system, the certifi-  
 20 cation required under subsection (c)(3).

21       “(i) TERMINATION.—This section shall not apply to  
 22 property placed in service after December 31, 2013.”.

23       (b) CREDIT TO BE PART OF GENERAL BUSINESS  
 24 CREDIT.—Subsection (b) of section 38 of the Internal  
 25 Revenue Code of 1986 (relating to general business credit)

1 is amended by striking “plus” at the end of paragraph  
 2 (32), by striking the period at the end of paragraph (33)  
 3 and inserting “, plus”, and by adding at the end the fol-  
 4 lowing new paragraph:

5 “(34) the commercial vehicle advanced safety  
 6 system credit determined under section 45Q(a).”.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Section 1016(a) of the Internal Revenue  
 9 Code of 1986 is amended by striking “and” at the  
 10 end of paragraph (35), by striking the period at the  
 11 end of paragraph (36) and inserting “, and”, and by  
 12 adding at the end the following new paragraph:

13 “(37) to the extent provided in section  
 14 45Q(g)(1).”.

15 (2) Subsection (m) of section 6501 of such  
 16 Code is amended by inserting “45Q(g)(5),” after  
 17 “45C(d)(4),”.

18 (3) The table of sections for subpart D of part  
 19 IV of subchapter A of chapter 1 of such Code is  
 20 amended by inserting after the item relating to sec-  
 21 tion 45P the following new item:

“Sec. 45Q. Credit for commercial vehicle advanced safety systems.”.

22 (d) EFFECTIVE DATE.—The amendments made by  
 23 this section shall apply to property placed in service after  
 24 the date of the enactment of this Act.

